

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: March 14, 2006]²

Bill No. and sponsor: H.R. 2677 (Mr. Rush D. Holt of New Jersey)

Proponent name, location: Rhein Chemie Corporation, Trenton, NJ.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspensions through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Mixtures of zinc dialkyldithiophosphate (CAS No. 6990-43-8) with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, dispersing agents and silica (provided for in subheading 3812.10.50)

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Mixtures of dithiocarbamate, thiazole, thiuram and thiourea with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, and dispersing agents (provided for in subheading 3812.10.50)

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Mixtures of caprolactam disulfide (CAS No. 23847-08-7) with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, and dispersing agents (provided for in subheading 3812.10.50)

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Mixtures of N'-(3,4-dichloro-phenyl)-N,N-dimethylurea (CAS No. 330-54-1) with acrylate rubber (provided for in subheading 3812.10.50)

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: Dave Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Mixtures of zinc dicyanato diamine (CAS No. 122012-52-6) with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, and dispersing agents (provided for in subheading 3812.10.50)

Check one: ☐ Same as that in bill as introduced.
 ☒ Different from that in bill as introduced (see Technical comments section).

4,8-Dicyclohexyl -6-2,10-dimethyl-12*H*-dibenzo [*d,g*][1,3,2]dioxaphosphocin (CAS No. 73912-21-7) (provided for in subheading 2920.90.50)

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Mixtures of benzenesulfonic acid, dodecyl-, with 2-aminoethanol (CAS No. 26836-07-7) and Poly (oxy-1,2-ethanediyl), α -[1-oxo-9- octadecenyl]- ω -hydroxy-, (9*Z*)- (CAS No. 9004-96-0) (provided for in subheading 3402.90.50)

Check one: ☐ Same as that in bill as introduced.
 ☒ Different from that in bill as introduced (see Technical comments section).

1,3-Dihydro-3,3-bis (4-hydroxy-*m*-tolyl)-2*H*-indol-2-one (CAS No. 47465-97-4) (provided for in subheading 2933.79.08)

Check one: ☐ Same as that in bill as introduced.
 ☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

Most of the mixtures identified in this bill (with the exception of the chemicals and mixtures mentioned below) are synthetic organic chemicals used as a rubber-processing chemical mixture. They are generally used as cross-linking agents for rubber to be used in hoses, belts, vibration control parts, and automotive weather seals. The products are all imported from Germany.

4,8-Dicyclohexyl -6-2,10-dimethyl-12*H*-dibenzo [*d,g*][1,3,2]dioxaphosphocin is used as a stabilizer in the production of acrylonitrile-butadiene-styrene copolymers for such applications as automotive parts, dishwashers, and liners for refrigerators and freezers. The product is imported from Germany.

Mixtures of benzenesulfonic acid, dodecyl-, with 2-aminoethanol and poly(oxy-1,2-ethanediyl), α -[1-oxo-9- octadecenyl]- ω -hydroxy-, (9*Z*)-, are used to support polyurethane processing by retarding the chemical reaction until the resin fills the mold. It is used specifically in the production of micro-cellular automotive parts and insulated panels. The product is imported from Germany.

1,3-Dihydro-3,3-bis (4-hydroxy-*m*-tolyl)-2*H*-indol-2-one is used as a cross-linking agent for polycarbonate resins in the production of water bottles and sheet goods. The product is imported from Germany.

Estimated effect on customs revenue:

Total Estimated Revenue loss for this Bill					
	2005	2006	2007	2008	2009
Customs revenue loss	\$169,850	\$169,850	\$170,850	\$168,700	\$172,200

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: <u>2920.90.50</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports	\$345,000	\$345,000	\$345,000	\$345,000	\$345,000
Customs revenue loss	\$12,765	\$12,765	\$12,765	\$12,765	\$12,765

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: <u>2933.79.08</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$1,500,000	\$1,500,000	\$1,500,000	\$1,400,000	\$1,400,000
Customs revenue loss	\$97,500	\$97,500	\$97,500	\$91,000	\$91,000

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: <u>3402.90.50</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports	\$205,000	\$205,000	\$205,000	\$255,000	\$255,000
Customs revenue loss	\$7,585	\$7,585	\$7,585	\$9,435	\$9,435

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 3812.10.50					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	5.0%	5.0%	5.0%	5.0%	5.0%
Estimated value <i>dutiable</i> imports	\$1,040,000	\$1,040,000	\$1,060,000	\$1,110,000	\$1,180,000
Customs revenue loss	\$52,000	\$52,000	\$53,000	\$55,500	\$59,000

Source of estimated dutiable import data: Industry and Commission estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Rhein Chemie Corporation (Proponent) Elizabeth Wright email: ewright@ibgc.com Phone: 202-872-8181 Fax: 202-872-8696	09/12/2005	No	No	No
Abbott Laboratories Elaine Leavenworth Fax: 202-783-6631	09/27/2005	No	No	No
American Chemistry Council Jim O'Connor Fax: 703-741-6922	09/27/2005	No	No	No
Biddle Sawyer William Thonack Fax: 212-239-1089	09/27/2005	No	No	No
Ciba Specialty Chemicals John Deming Fax: 302-479-5152	09/27/2005	No	No	No
Clariant Corporation Andrew Zamoyiski Fax: 401-823-2700	09/27/2005	No	No	No
Eastman Chemical Greg Riddle Fax: 703-524-7707 Jorge San Pedro Fax: 703-524-7707	09/27/2005	No	No	No
Honeywell International Art Simonetti Fax: 202-662-2675	09/27/2005	No	No	No

Rhodia Inc. Dominick Cangiana Fax: 609-860-1841	09/27/2005	No	No	No
Solutia Sue Cannon Fax: 314-674-1585 Dan Jenkins Fax: 314-674-1585	09/27/2005	No	No	No
Uniroyal Lloyd Moon Fax: 203-573-4430	09/27/2005	No	No	No

Technical comments:³

The Commission suggests technical changes to three article descriptions in the proposed new headings in order to correct the spelling of two of the chemical products and to provide a correct HTS number.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS
1ST SESSION

H. R. 2677

To suspend temporarily the duty on certain chemicals.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2005

Mr. HOLT introduced the following bill; which was referred to the Committee
on Ways and Means

A BILL

To suspend temporarily the duty on certain chemicals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN CHEMICALS.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new headings:

“	9902.07.31	Mixtures of zinc dialkyldithiophosphate (CAS No. 6990–43–8) with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, dispersing agents and silica (provided for in subheading 3812.10.50)	Free	No change	No change	On or before 12/31/2009
	9902.07.32	Mixtures of dithiocarbamate, thiazole, thiuram and thio-urea with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, and dispersing agents (provided for in subheading 3812.10.50)	Free	No change	No change	On or before 12/31/2009
	9902.07.33	Mixtures of caprolactam disulfide (CAS No. 23847–08–7) with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, and dispersing agents (provided for in subheading 3812.10.50)	Free	No change	No change	On or before 12/31/2009
	9902.07.34	Mixtures of N'-(3,4-dichlorophenyl)-N,N-dimethylurea (CAS No. 330–54–1) with acrylate rubber (provided for in subheading 3812.10.50) ..	Free	No change	No change	On or before 12/31/2009
	9902.07.35	Mixtures of zinc dicyanato diammine (CAS No. 122012–52–6) with an elastomer binder of ethylene-propylene-diene monomer and ethyl vinyl acetate, and dispersing agents (provided for in subheading 3812.10.50)	Free	No change	No change	On or before 12/31/2009
	9902.07.36	4,8-Dicyclohexyl -6–2,10-dimethyl -12 <i>H</i> -dibenzo [<i>d,g</i>][1,3,2]dioxaphosphocin (CAS No. 73912–21–7) (provided for in subheading 2920.90.50)	Free	No change	No change	On or before 12/31/2009
	9902.07.37	Mixtures of Benzenesulfonic acid, dodecyl-, with 2-aminoethanol (CAS No. 26836–07–7) and Poly (oxy-1,2-ethanedyl), α -[(9 <i>Z</i>)-1-oxo-9- octadecenyl]- <i>w</i> -hydroxy- (CAS No. 9004–96–0) (provided for in subheading 3402.90.50)	Free	No change	No change	On or before 12/31/2009
	9902.07.39	1,3-Dihydro-3,3-bis (4-hydroxy- <i>m</i> -tolyl)-2 <i>H</i> -indol-2-one (CAS No. 47465–97–4) (provided for in subheading 2933.79.15)	Free	No change	No change	On or before 12/31/2009
						”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

